GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1301
ANSWERED ON:03.03.2000
FRAUD IN ORIENTAL BANK OF COMMERCE
RAM SAGAR

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned `Oriental Bank mein phir karodon ka ghotala - Mukhya Prabandhak samet 11 logon ke khilaf aarop patra dakhil` appearing in the `Dainik Jagaran` dated January 9, 2000;

(b) if so, the details of facts reported in the news item;

(c) the reaction of the Government thereto; and

(d) the number of employees against whom criminal complaints have been lodged alongwith reasons for not doing that in remaining cases ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Yes, Sir.

(b), (c) & (d) : Oriental Bank of Commerce has reported that during the course of inspection of New Friends Colony branch, New Delhi in the year 1995 it was observed that the Chief Manager in-charge of the branch had transgressed the lending powers vested with him, accommodated some parties in their cash credit and overdraft account much over and above the sanctioned limits unauthorisedly, allowed clean Over Draft/ Document Discounting facilities, and has thus exposed the bank to a liability of Rs. 1120.95 lakhs. He was placed under suspension with effect from. 21.12.1995 and was awarded major penalty of removal from bank`s service for certain irregularities committed by him while functioning as manager in-charge at Gurgaon Branch of the bank. The Central Bureau of Investigation (CBI) has registered three cases against him and some private persons and after completion of investigation, charge sheets have been filed in the Court in December 1999. No other staff member of the bank was found by CBI to be criminally involved.